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UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

JUL 11 2008  
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JUDGE JAMES D. ZAGEL  
UNITED STATES DISTRICT COURT

HSBC BANK USA, as Trustee for Friedman	)	
Billings Ramsey Group Inc. (FBR)	)	
Securitization Name -FBR 2005-1	)	
Plaintiff,	)	No. 08 C 3411
	)	Judge Zagel
v.	)	Magistrate Judge Cox
	)	
REYNA ESPINOZA, <i>et al.</i> ,	)	
Defendants.	)	

STIPULATION AND AGREED ORDER OF DISMISSAL

Pursuant to Rule 41(a)(2), Fed. Rules Civ. Proc., the United States of America, by Patrick J. Fitzgerald, United States Attorney for the Northern District of Illinois, and HSBC Bank USA, as Trustee for Friedman Billings Ramsey Group Inc. (FBR) Securitization Name - FBR 2005-1, by Codilis & Associates, P.C., its attorneys of record, hereby stipulate and agree as follows:

1. On May 14, 2008, HSBC Bank USA ("HSBC") filed this case for the mortgage foreclosure of the real property commonly known as 8547 South Kedvale Avenue, Chicago, Illinois. ("the Chicago Property"). HSBC joined the United States, as a party defendant.

2. On March 4, 2008, and pursuant to the Court's order entered in the case, *United States v. Angel Flores*, 06 CR 222, United States District Court, Northern District of Illinois, the United States acquired ownership of the Chicago Property.

3. The United States timely removed HSBC's foreclosure case to this District Court. Other than the United States, no other defendant has responded to the foreclosure complaint.

4. The United States contends that there is no waiver of federal government's sovereign immunity in a state court jurisdiction to terminate the government's ownership interest

in the Chicago Property. Further, the federal government argues that because a federal court's removal jurisdiction, under 28 U.S.C. § 1442, is derivative of the state court's original jurisdiction, if the state court lacked jurisdiction, then the removal of this case cannot confer subject matter jurisdiction on the district court.

6. HSBC is willing to dismiss its foreclosure complaint in return for the United States' agreement to allow the case to be reinstated if the United States releases its title interest in the Chicago Property.

7. The United States agrees to the dismissal of HSBC's foreclosure case on the condition that HSBC does not re-file the case so long as the United States has an ownership interest in the Chicago Property.

8. The Court having jurisdiction to grant the relief sought by this agreed order.

IT IS THEREFORE ORDERED THAT HSBC Bank USA's case to foreclose its mortgage is dismissed, with leave to reinstate, in the event that the United States releases its ownership interest in the Chicago Property.

Dated: JUL 14 2008

ENTERED:

  
United States District Judge

STIPULATED AND AGREED:

HSBC BANK USA AS TRUSTEE FOR  
FRIEDMAN BILLINGS RAMSEY  
GROUP INC. (FBR) SECURITIZATION  
NAME - FBR 2005-1

  
CODRIS & ASSOCIATES

UNITED STATES OF AMERICA,  
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